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DEPARTMENT OF COMMERCE

International Trade Administration

C-570-052

Certain Hardwood Plywood Products from the People's Republic of China: Countervailing Duty Order

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: Based on affirmative final determinations by the Department of Commerce (Commerce) and the International Trade Commission (ITC), Commerce is issuing the countervailing duty order on certain hardwood plywood products (hardwood plywood) from the People's Republic of China (China).

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Justin Neuman at (202) 482-0486, or Matthew Renkey at (202) 482-2312, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Background

In accordance with section 705(d) of the Tariff Act of 1930, as amended (Act), on November 16, 2017, Commerce published its affirmative final determination that countervailable subsidies are being provided to producers and exporters of hardwood plywood from China.¹ On December 20, 2017, the ITC notified Commerce of its affirmative determination that an industry

¹ See *Countervailing Duty Investigation of Certain Hardwood Plywood Products from the People's Republic of China: Final Affirmative Determination, and Final Affirmative Critical Circumstances Determination, in Part*, 82 FR 53473 (November 16, 2017).

in the United States is materially injured within the meaning of section 705(b)(1)(A)(i) of the Act, by reason of subsidized imports of subject merchandise from China.²

Scope of the Order

The scope of this order covers hardwood plywood from China. For a complete description of the scope, *see* the Appendix to this notice.

Countervailing Duty Order

On December 20, 2017, in accordance with sections 705(b)(1)(A)(i) and 705(d) of the Act, the ITC notified Commerce of its final determination in this investigation, in which it found that an industry in the United States is materially injured by reason of imports of hardwood plywood from China.³ Therefore, in accordance with section 705(c)(2) of the Act, Commerce is issuing this countervailing duty order. Because the ITC determined that imports of hardwood plywood from China are materially injuring a U.S. industry, unliquidated entries of such merchandise from China, entered or withdrawn from warehouse for consumption, are subject to the assessment of countervailing duties.

Therefore, in accordance with section 706(a) of the Act, Commerce will direct U.S. Customs and Border Protection (CBP) to assess, upon further instruction by Commerce, countervailing duties for all relevant entries of hardwood plywood from China. Countervailing duties will be assessed on unliquidated entries of hardwood plywood from China entered, or withdrawn from warehouse, for consumption on or after April 25, 2017, the date of publication of the *Preliminary Determination*,⁴ but will not include entries occurring after the expiration of the provisional measures period and before publication of the ITC's final injury determination as

² See Letter to Gary Taverman, Acting Assistant Secretary of Commerce for Enforcement and Compliance, from Rhonda K. Schmidlein, Chairman of the U.S. International Trade Commission, regarding certain hardwood plywood products from the People's Republic of China (December 20, 2017) (ITC Letter).

³ See ITC Letter.

further described below.

Suspension of Liquidation

In accordance with section 706 of the Act, Commerce will instruct CBP to reinstitute the suspension of liquidation of hardwood plywood from China. We will also instruct CBP to require, pursuant to section 706(a)(1) of the Act, countervailing duties for each entry of the subject merchandise in an amount based on the net countervailable subsidy rates for the subject merchandise. These instructions suspending liquidation will remain in effect until further notice. The all-others rate applies to all producers and exporters of subject merchandise.

Company	Subsidy Rate
Shandong Dongfang Bayley Wood Co., Ltd. ⁵	194.90 percent
Linyi Sanfortune Wood Co., Ltd.	22.98 percent
All-Others	22.98 percent
Anji Qichen Bamboo Industry Co. Ltd ⁶	194.90 percent
Deqing Shengqiang Wood Co., Ltd	194.90 percent
Guangxi Sunway Cen.Xi Artificial Board Ltd.	194.90 percent
Guangxi Sunway Forest Products Industry Co., Ltd.	194.90 percent
Hebei Tongli Wood Co., Ltd	194.90 percent

⁴ See *Certain Hardwood Plywood Products from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination, Preliminary Affirmative Critical Circumstances Determination, in Part, and Alignment of Final Determination With Final Antidumping Duty Determination*, 82 FR 19022 (April 25, 2017).

⁵ As discussed in the *Preliminary Determination*, Commerce found that Shandong Dongfang Bayley Wood Co., Ltd. (Bayley Wood) is cross-owned with Linyi Yinhe Panel Factory (Yinhe Panel), a producer of subject merchandise. Commerce is also applying Bayley Wood's rate to Yinhe Panel.

⁶ This company and those listed below are receiving the AFA rate because they did not respond to our quantity and value questionnaire.

Heze Fulin Wood Products Co., Ltd.	194.90 percent
Jiashan Minghong Wood Industry Co., Ltd	194.90 percent
Jiaxing Brilliant Import & Export Co., Ltd	194.90 percent
Keens Products	194.90 percent
King Sheng	194.90 percent
Kunming Alston Ast Wood Products Co., Ltd.	194.90 percent
Langfang Baomujie Wood Co., Ltd.	194.90 percent
Larkcop International Co., Ltd.	194.90 percent
Linyi Cathay Pacific Wood Factory	194.90 percent
Linyi Celtic Wood Co., Ltd.	194.90 percent
Linyi Dongri Plywood Co., Ltd	194.90 percent
Linyi Hongma	194.90 percent
Linyi Jinhua Wood Co., Ltd.	194.90 percent
Linyi Kai Yi Arts and Crafts Co., Ltd.	194.90 percent
Linyi Laiyi Timber Industry Co., Ltd	194.90 percent
Linyi Lianyi Wood Co., Ltd	194.90 percent
Linyi Raya Commerce	194.90 percent
Linyi Yutai Wood Co., Ltd	194.90 percent
Lishui Liancheng Pencil Manufacturing Co., Ltd.	194.90 percent

Mol Consolidation Service	194.90 percent
Ningbo Asia Pulp and Paper	194.90 percent
Ningbo Zhonghua Paper	194.90 percent
Qiangsheng Wood Co., Ltd	194.90 percent
Qingdao Liansheng International Trading	194.90 percent
Qufu Shengda Wood Co., Ltd	194.90 percent
Shandong Fengtai Wood Co., Ltd	194.90 percent
Shandong Hongyang Fire Resistant	194.90 percent
Shandong Xingang Group	194.90 percent
Shanghai Sunshine Decorative Materials Co., Ltd.	194.90 percent
Shenghe Wood Company Ltd	194.90 percent
Shouguang Evergreen Im & Ex Co. Ltd. ⁷	194.90 percent
Shouguang Taizhong Wood Co., Ltd.	194.90 percent
Siyang Jiayuan Woodindustry Co., Ltd.	194.90 percent
Siyang Senda Wood Industry Co., Ltd.	194.90 percent
Suqian Bairun Wood Industry Co., Ltd	194.90 percent
Suqian Foreign Trade Co., Ltd.	194.90 percent
Suqian Sulu Wood Industry Co., Ltd. ⁸	194.90 percent

⁷ This company was listed as having the following two “aka” names: Shouguang Evergreen Co., Ltd. and Weifang Evergreen Wood Co., Ltd.

⁸ This company was listed as having the following “aka” name: Suqian Sulu Import and Export Trading.

Suzhou Dong He Wood Co., Ltd.	194.90 percent
Tianjin Canex	194.90 percent
Tianjin Zhanye Metal Products Co., Ltd.	194.90 percent
Xuzhou Fuyuan Wood Co., Ltd	194.90 percent
Xuzhou Hongwei Wood Co., Ltd.	194.90 percent
Xuzhou Ruilin Timber Co., Ltd.	194.90 percent
Xuzhou Shenghe Wood Products	194.90 percent
Xuzhou Woodhi Trading Co. Ltd.	194.90 percent
Xuzhou Yishun Brightwood Co. Ltd.	194.90 percent
Xuzhou Zhongda Building Materials Co., Ltd	194.90 percent
Xuzhou Zhongyuan Wood Co., Ltd.	194.90 percent
Yixing Lion-King Timber Industry Co., Ltd	194.90 percent
Zhejiang Deqing Shengqiang Wood Co., Ltd	194.90 percent
Zhejiang Fuerjia Wooden Company	194.90 percent
Zhejiang Jufeng Wood Co., Ltd	194.90 percent
Zhejiang Xinyuan Bamboo Products Co., Ltd	194.90 percent
Zhejiang Yongyu Bamboo Joint-Stock Co., Ltd	194.90 percent

Provisional Measures

Section 703(d) of the Act states that instructions issued pursuant to an affirmative preliminary determination may not remain in effect for more than four months. In the underlying

investigation, Commerce published the *Preliminary Determination* on April 25, 2017. As such, the four-month period beginning on the date of the publication of the *Preliminary Determination* ended on August 23, 2017. Furthermore, section 707(b) of the Act states that definitive duties are to begin on the date of publication of the ITC's final injury determination.

Therefore, in accordance with section 703(d) of the Act and our practice, we instructed CBP to terminate the suspension of liquidation and to liquidate, without regard to countervailing duties, unliquidated entries of hardwood plywood from China entered, or withdrawn from warehouse, for consumption, on or after August 23, 2017, the date the provisional measures expired, until and through the day preceding the date of publication of the ITC's final injury determination in the *Federal Register*. Suspension of liquidation will resume on the date of publication of the ITC's final determination in the *Federal Register*.

Notifications to Interested Parties

This notice constitutes the countervailing duty order with respect to hardwood plywood from China pursuant to section 706(a) of the Act. Interested parties can find a list of countervailing duty orders currently in effect at <http://enforcement.trade.gov/stats/iastats1.html>.

This order is issued and published in accordance with section 706(a) of the Act and 19 CFR 351.211(b).

Christian Marsh
Deputy Assistant Secretary
for Enforcement and Compliance

Dated: December 28, 2017

Appendix

Scope of the Investigation

The merchandise subject to this investigation is hardwood and decorative plywood, and certain veneered panels as described below. For purposes of this proceeding, hardwood and decorative plywood is defined as a generally flat, multilayered plywood or other veneered panel, consisting of two or more layers or plies of wood veneers and a core, with the face and/or back veneer made of non-coniferous wood (hardwood) or bamboo. The veneers, along with the core may be glued or otherwise bonded together. Hardwood and decorative plywood may include products that meet the American National Standard for Hardwood and Decorative Plywood, ANSI/HPVA HP-1-2016 (including any revisions to that standard).

For purposes of this investigation a “veneer” is a slice of wood regardless of thickness which is cut, sliced or sawed from a log, bolt, or flitch. The face and back veneers are the outermost veneer of wood on either side of the core irrespective of additional surface coatings or covers as described below.

The core of hardwood and decorative plywood consists of the layer or layers of one or more material(s) that are situated between the face and back veneers. The core may be composed of a range of materials, including but not limited to hardwood, softwood, particleboard, or medium-density fiberboard (MDF).

All hardwood plywood is included within the scope of this investigation regardless of whether or not the face and/or back veneers are surface coated or covered and whether or not such surface coating(s) or covers obscures the grain, textures, or markings of the wood. Examples of surface coatings and covers include, but are not limited to: ultra violet light cured polyurethanes; oil or oil-modified or water based polyurethanes; wax; epoxy-ester finishes; moisture-cured urethanes; paints; stains; paper; aluminum; high pressure laminate; MDF; medium density overlay (MDO); and phenolic film. Additionally, the face veneer of hardwood plywood may be sanded; smoothed or given a “distressed” appearance through such methods as hand-scraping or wire brushing. All hardwood plywood is included within the scope even if it is trimmed; cut-to-size; notched; punched; drilled; or has underwent other forms of minor processing.

All hardwood and decorative plywood is included within the scope of this investigation, without regard to dimension (overall thickness, thickness of face veneer, thickness of back veneer, thickness of core, thickness of inner veneers, width, or length). However, the most common panel sizes of hardwood and decorative plywood are 1219 x 1829 mm (48 x 72 inches), 1219 x 2438 mm (48 x 96 inches), and 1219 x 3048 mm (48 x 120 inches).

Subject merchandise also includes hardwood and decorative plywood that has been further processed in a third country, including but not limited to trimming, cutting, notching, punching, drilling, or any other processing that would not otherwise remove the merchandise from the scope of the investigation if performed in the country of manufacture of the in-scope product.

The scope of the investigation excludes the following items: (1) structural plywood (also known

as “industrial plywood” or “industrial panels”) that is manufactured to meet U.S. Products Standard PS 1-09, PS 2-09, or PS 2-10 for Structural Plywood (including any revisions to that standard or any substantially equivalent international standard intended for structural plywood), and which has both a face and a back veneer of coniferous wood; (2) products which have a face and back veneer of cork; (3) multilayered wood flooring, as described in the antidumping duty and countervailing duty orders on Multilayered Wood Flooring from the People’s Republic of China, Import Administration, International Trade Administration. See Multilayered Wood Flooring from the People’s Republic of China, 76 FR 76690 (December 8, 2011) (amended final determination of sales at less than fair value and antidumping duty order), and Multilayered Wood Flooring from the People’s Republic of China, 76 FR 76693 (December 8, 2011) (countervailing duty order), as amended by Multilayered Wood Flooring from the People’s Republic of China: Amended Antidumping and Countervailing Duty Orders, 77 FR 5484 (February 3, 2012); (4) multilayered wood flooring with a face veneer of bamboo or composed entirely of bamboo; (5) plywood which has a shape or design other than a flat panel, with the exception of any minor processing described above; (6) products made entirely from bamboo and adhesives (also known as “solid bamboo”); and (7) Phenolic Film Faced Plyform (PFF), also known as Phenolic Surface Film Plywood (PSF), defined as a panel with an “Exterior” or “Exposure 1” bond classification as is defined by The Engineered Wood Association, having an opaque phenolic film layer with a weight equal to or greater than 90g/m³ permanently bonded on both the face and back veneers and an opaque, moisture resistant coating applied to the edges.

Excluded from the scope of this investigation are wooden furniture goods that, at the time of importation, are fully assembled and are ready for their intended uses. Also excluded from the scope of this investigation is “ready to assemble” (RTA) furniture. RTA furniture is defined as (A) furniture packaged for sale for ultimate purchase by an end-user that, at the time of importation, includes 1) all wooden components (in finished form) required to assemble a finished unit of furniture, 2) all accessory parts (e.g., screws, washers, dowels, nails, handles, knobs, adhesive glues) required to assemble a finished unit of furniture, and 3) instructions providing guidance on the assembly of a finished unit of furniture; (B) unassembled bathroom vanity cabinets, having a space for one or more sinks, that are imported with all unassembled hardwood and hardwood plywood components that have been cut-to-final dimensional component shape/size, painted or stained prior to importation, and stacked within a singled shipping package, except for furniture feet which may be packed and shipped separately; or (C) unassembled bathroom vanity linen closets that are imported with all unassembled hardwood and hardwood plywood components that have been cut-to-final dimensional shape/size, painted or stained prior to importation, and stacked within a single shipping package, except for furniture feet which may be packed and shipped separately.

Excluded from the scope of this investigation are kitchen cabinets that, at the time of importation, are fully assembled and are ready for their intended uses. Also excluded from the scope of this investigation are RTA kitchen cabinets. RTA kitchen cabinets are defined as kitchen cabinets packaged for sale for ultimate purchase by an end-user that, at the time of importation, includes 1) all wooden components (in finished form) required to assemble a finished unit of cabinetry, 2) all accessory parts (e.g., screws, washers, dowels, nails, handles, knobs, hooks, adhesive glues) required to assemble a finished unit of cabinetry, and 3) instructions providing guidance on the assembly of a finished unit of cabinetry.

Excluded from the scope of this investigation are finished table tops, which are table tops imported in finished form with pre-cut or drilled openings to attach the underframe or legs. The table tops are ready for use at the time of import and require no further finishing or processing.

Excluded from the scope of this investigation are finished countertops that are imported in finished form and require no further finishing or manufacturing.

Excluded from the scope of this investigation are laminated veneer lumber door and window components with (1) a maximum width of 44 millimeters, a thickness from 30 millimeters to 72 millimeters, and a length of less than 2413 millimeters (2) water boiling point exterior adhesive, (3) a modulus of elasticity of 1,500,000 pounds per square inch or higher, (4) finger-jointed or lap-jointed core veneer with all layers oriented so that the grain is running parallel or with no more than 3 dispersed layers of veneer oriented with the grain running perpendicular to the other layers; and (5) top layer machined with a curved edge and one or more profile channels throughout.

Imports of hardwood plywood are primarily entered under the following Harmonized Tariff Schedule of the United States (HTSUS) subheadings: 4412.10.0500; 4412.31.0520; 4412.31.0540; 4412.31.0560; 4412.31.0620; 4412.31.0640; 4412.31.0660; 4412.31.2510; 4412.31.2520; 4412.31.2610; 4412.31.2620; 4412.31.4040; 4412.31.4050; 4412.31.4060; 4412.31.4075; 4412.31.4080; 4412.31.4140; 4412.31.4150; 4412.31.4160; 4412.31.4180; 4412.31.5125; 4412.31.5135; 4412.31.5155; 4412.31.5165; 4412.31.5175; 4412.31.5235; 4412.31.5255; 4412.31.5265; 4412.31.5275; 4412.31.6000; 4412.31.6100; 4412.31.9100; 4412.31.9200; 4412.32.0520; 4412.32.0540; 4412.32.0565; 4412.32.0570; 4412.32.0620; 4412.32.0640; 4412.32.0670; 4412.32.2510; 4412.32.2525; 4412.32.2530; 4412.32.2610; 4412.32.2630; 4412.32.3125; 4412.32.3135; 4412.32.3155; 4412.32.3165; 4412.32.3175; 4412.32.3185; 4412.32.3235; 4412.32.3255; 4412.32.3265; 4412.32.3275; 4412.32.3285; 4412.32.5600; 4412.32.3235; 4412.32.3255; 4412.32.3265; 4412.32.3275; 4412.32.3285; 4412.32.5700; 4412.94.1030; 4412.94.1050; 4412.94.3105; 4412.94.3111; 4412.94.3121; 4412.94.3141; 4412.94.3161; 4412.94.3175; 4412.94.4100; 4412.99.0600; 4412.99.1020; 4412.99.1030; 4412.99.1040; 4412.99.3110; 4412.99.3120; 4412.99.3130; 4412.99.3140; 4412.99.3150; 4412.99.3160; 4412.99.3170; 4412.99.4100; 4412.99.5115; and 4412.99.5710.

Imports of hardwood plywood may also enter under HTSUS subheadings 4412.99.6000; 4412.99.7000; 4412.99.8000; 4412.99.9000; 4412.10.9000; 4412.94.5100; 4412.94.9500; and 4412.99.9500. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

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